DRESSLER, GOLDSMITH, SHORE, SUTKER & MILNAMOW, LTD.
ATTORNEYS AT LAW
1800 PRUDENTIAL PLAZA
CHICAGO, ILLINOIS 60601
(312) 527-4025

D-11 19
11/9/82

RECEIVED
MAY 19 1982
R. D. H.

PATENTS
TRADEMARKS
& RELATED MATTERS
CABLE "SCHNEIORES"
HERMAN J. GORDON
(1936-1979)
TWX 910 221 1206

FEDERAL EXPRESS

May 18, 1982

Mr. Robert Hadl
Vice President
Universal Studios
100 Universal City Plaza
Universal City, California 91608

PLAINTIFF'S EXHIBIT 21A

Re: Merchandising License Agreement
Between Tiger Electronic Toys, Inc.
and MCA Of September 18, 1981

Dear Mr. Hadl:

In view of our discussions last week and in response to the May 5, 1982 mailgram sent by Ms. Sifuentes of MCA to our client, Tiger Electronic Toys, Inc., this letter is to advise you that Tiger Electronic Toys, Inc. considers the referenced Merchandising License Agreement to be in full force and effect.

I told you last week that Tiger had materials for review by MCA which materials are different in basic aspects from the materials Tiger has heretofore invited MCA to review and/or sent to MCA. As an accommodation to MCA, we offered to show you such materials this past Monday, May 17, 1982, which offer you rejected. Tiger Electronic Toys, Inc. (hereinafter "Tiger") remains willing to preview these materials with MCA, but due to the pressure of time before the Consumer Electronic Show scheduled to open in Chicago, June 6, 1982, we must have your immediate cooperation. Tiger will interpret failure by MCA to accept this offer of cooperation by May 21, 1982, as acceptance and approval by MCA of Tiger's product line licensed under the title KING KONG and all printed and visual material connected therewith including TV advertising.

Tiger has also been asking, for more than six months, what rights MCA owns or controls in the various foreign countries listed in the Merchandising License Agreement. As we previously told the MCA/Universal licensing

department, Tiger has been advised that MCA neither owns nor controls the title KING KONG in at least the United Kingdom.

Tiger is perplexed concerning MCA's claimed right to the ownership and control of the title KING KONG in the United States. Tiger now knows that neither MCA nor Universal City Studios, Inc. had federally registered any such claim of ownership or control under the Trademark Laws of the United States at the time MCA induced Tiger to sign the Merchandising License Agreement. It was not until January 18, 1982 that Universal first placed on file applications under the Trademark Laws for the products it had previously licensed in September 1981 to Tiger. In this regard, we direct your attention to the fact that numerous companies unrelated to MCA have obtained Federal registrations for KING KONG. We are uncertain as to the basis, in fact, for MCA's assertion of its rights to that title for the products in the Merchandising License Agreement. In this regard, we invite your attention to Blue Bell, Inc. v. Farah Mfg. Co., Inc. 508 F.2d 1260 (5th Cir. 1975).

This letter is not meant to be a complete list of all the concerns of Tiger regarding the manner in which Tiger has been treated by MCA under the Merchandising License Agreement or Tiger's disagreements with the legal sufficiency of MCA's interpretations of the Merchandising License Agreement. We would like to note, however, that the requirements of MCA that it or Universal own each and every development independently made by Tiger, improperly ties the license of KING KONG to matters completely unrelated to the license grant. In our view, the attempt by MCA to force Tiger to give up all its independently developed patent, copyright and trademark rights is unenforceable and such tying arrangements have heretofore been held violative of the anti-trust laws as well as an unfair trade practice.

Finally, as you must realize, our client has expended substantial time, effort and money in developing its 1982 product line, while MCA sat silently and accepted its nonrefundable advance against royalties. Tiger is now committed to proceed and Tiger expects MCA to live-up to the terms of the Merchandising License Agreement. Tiger will hold MCA fully responsible for all damages and claims incurred by Tiger should MCA fail to fully perform its obligations under the Merchandising License Agreement.

Very truly yours,

DRESSLER, GOLDSMITH, SHORE,
SUTKER & MILNAMOW, LTD.

By Henry S. Kaplan

HSK:cd